MR. WEBSTER'S REMARKS

UPON THAT PART OF

THE PRESIDENT'S MESSAGE

WHICH RELATES TO

THE REVENUE AND FINANCES.

DELIVERED

IN THE SENATE OF THE UNITED STATES,

December 16 and 17, 1840.

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REMARKS.

WEDNESDAY, DECEMBER 16, 1840.

The motion submitted by Mr. WRIGHT on Monday last, proposing to refer so much of the President's Message as relates to the Finances to the Committee on Finance, coming up for consideration—

Mr. WEBSTER rose and addressed the Senate nearly as follows:

Mr. President: It has not been without great reluctance that I have risen to offer any remarks on the message of the President, especially at this early period of the session. I have no wish to cause, or to witness, a prolonged and angry and exciting discussion on the topics it contains. The message is, mainly, devoted to an elaborate and plausible defence of the course of the existing Administration; it dwells on the subjects which have been so long discussed among us, on banks and banking, on the excess of commerce and speculation, on the State debts, and the dangers arising from them—on the sub-Treasury, as it has been called, or the Independent Treasury, as others have denominated it. I propose now to deal with none of these points. So far as they may be supposed to affect the merits or character of the Administration, they have, as I understand it, been passed upon by the country; and I have no disposition to reargue any of them. Nor do I wish to enter upon an inquiry as to what, in relation to all these things, is supposed to have been approved or disapproved by the People of the United States by their decision in the late election. It appears, however, thus far, to be the disposition of the nation to change the Administration of the Government. All I purpose at this time to do is, to present some remarks on the subject of the finances, speaking on the present state of things only, without recurring to the past, or speculating as to the future. Yet I suppose that some proper forecast, some disposition to provide for what is before us, naturally mixes itself up in a greater or less degree with all inquiries of this sort.

In this view, I shall submit a few thoughts upon the message of the President; but I deem it necessary to preface what I shall say with some few preliminary remarks.

And, first, I will say a word or two on the question whether or not unfounded or erroneous impressions are communicated to the People by that document in several respects. In this point of view I first notice what the President says in the 8th page. He there represents it as the great distinctive principle—the grand difference in the characters of our public men—that of one class of them it has been the constant object to create and to maintain a public debt, and with another, to prevent and to discharge it. This I consider as an unfounded imputation on those who have conducted the Government of this country. The President says "he has deemed this brief summary of our fiscal affairs necessary to the due performance of a duty specially enjoined upon him by the Constitution. It will serve also to illustrate more fully the principles by which he has been guided in reference to two contested points in our public policy, which were earliest in their development, and have been more important in their consequences than any that

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have arisen under our system of government: he alludes to a national debt and a National Bank." About a National Bank I have nothing at present to say; but here it is officially announced to us that it has been a great contested question in the country whether there shall or shall not be a national debt, as if there were public men who wished a national debt, to be created and perpetuated for its own sake! Now, I submit it to the Senate whether there has ever existed in the country any party, at any time, which avowed itself in favor of a national debt, *per se*, as a thing desirable? Does the history of the past debts contracted by the Government lay the least foundation for any such an assertion? The first national debt we have had was the loan negotiated in Holland by John Adams. None, I presume, ever doubted the policy of such a loan in the then existing circumstances of the country. Then there came the debt contracted, for the pay of the Revolutionary army, by the Continental Congress, or rather by the country through that Congress. Next were the debts incurred during the war by the States for the purpose of carrying on the war. Provision was made for discharging these debts as the cost of our Revolution; can any body object to a debt like this? Of the same character were the loans made by Government to carry on the late war with Great Britain. These are the principal national debts we have ever contracted, and I cannot but think it singularly unfortunate that what looks so much like an imputation on those who authorized these loans should come from the head of an Administration which, so far as I know, *is the first that has ever commenced a national debt in a time of profound peace.*

And now to proceed to the actual state of the finances.

The message, though it does not call the obligations of the Government a national debt, but, on the contrary, speaks in the strongest terms against a national debt, yet admits that there are Treasury notes outstanding, and bearing interest, to the amount of four and a half millions; and I see, connected with this, other important and leading truths, very necessary to be considered by those who would look out beforehand that they may provide for the future.

Of these, the first in importance is, that the expenditures of the Government during the term of the present Administration have greatly exceeded its income. I shall not now argue the question whether these expenditures have been reasonable or unreasonable, necessary or unnecessary. I am looking at the facts in a financial view purely—and I say that during the last four years *the public expenditure has exceeded the public income at the rate of* SEVEN MILLIONS OF DOLLARS PER ANNUM. This is easily demonstrated.

At the commencement of the first year of this Presidential term, in January, 1837, there was in the Treasury a balance of six millions of dollars, which was reserved from distribution by what has usually been called the Deposite Act. The intention of Congress was to reserve five millions only; but, in consequence of an uncertainty which attended the mode of effecting this result, the Secretary, in his calculations, wishing to be, at least, on the safe side, it turned out that the sum actually reserved was six millions. Here, then, was this amount in the Treasury on the 1st of January, 1837. Events occurred during that year which induced Congress to modify the deposite act, so as to bring back again into the Treasury the fourth instalment of the sum to be deposited with the States, which amounted to nine millions. I find, further, from the communications of the Secretary of the Treasury now submitted to the Senate, that, for the stock for the United

States in the Bank of the United States for which bonds had been given to the Treasury by the Bank of the United States of Pennsylvania, which bonds are now paid, there have been received eight millions. Now, sir, these are all items of a pre-existing fund, no part of which has accrued since January, 1837.

To these I may add the outstanding Treasury notes running on interest, (four and a half millions;) and the whole forms an aggregate of *twenty-seven and a half millions of dollars* of surplus, in addition to the current revenue, which have been expended in *three and a half* or four years—excepting, of course, what may remain in the Treasury at the end of that term. Here, then, has the Government been expending money at the rate of nearly eight millions per annum beyond its income. What state of things is that? Suppose it should go on. Does not every man see that we have a vast debt immediately before us?

But is this all?—is this all? I am inclined to think that, in one respect at least, it is not all. The Treasury, I think, has not duly distinguished, in reference to one important branch of its administration, between Treasury funds proper, and a trust fund, set apart by treaty stipulation, to be invested for the benefit of certain Indian tribes. I say the Treasury has taken, as belonging to the Government, that which properly belongs to a trust fund which the Government engaged to invest in permanent stocks for the benefit of certain Indian tribes. This makes it necessary to look a little into these trust funds. By our treaty with the Chickasaws, the proceeds of the sales of the lands ceded to the United States by that tribe, were to be invested in permanent stocks, for the use of the members of that tribe. At the date of the last communication which I find from the Treasury, the amount received on these sales was $2,498,000 06. Bonds had been purchased to the amount of $1,994,141 03; but as some of these bonds were purchased at rates above par, the sums vested in them amounted to $2,028,678 54; this would leave a balance of $369,000 uninvested at that time, and the Secretary informs us that the portion of it which had been received from the land offices had been "mixed up in the general fund." Here, then, is one item of trust money—money not our own—which has been mixed up with our own money, and received as part of the available funds of the Treasury. The stocks purchased for the Chickasaws appear to be as follows:

Number of bonds.	Interest, where payable.	Interest, when payable.	Times redeemable.	Rate per ct.	Amount of each.	Total.
125 Tenn.	Philadelphia	1st January and July	1848	5	$1,000	$125,000 00
125 Do.	Do.	Do. Do.	1853	5	–	125,000 00
65 Do.	Treasurer's office, Ten.	25th January and July	1861	5¼	–	65,000 00
1 Do.	Do. Do.	Do. Do.	–	5¼	–	1,666 66
65 Ala.	Phœnix Bank, N. Y.	1st Monday May and November	1852	5	1,000	65,000 00
250 Do.	Do. Do.	Do. Do.	1865	5	–	250,000 00
500 Do.	Union B'k, N. Orleans	1st Monday June and December	–	5	–	500,000 00
500 Do.	Commercial Bank, do.	Do. Do.	1866	5	–	500,000 00
161 Ind.	New York	1st January and 1st July	1857	5	–	161,000 00
41 Do.	– –	– –	–	5	–	41,000 00
3 Ohio	– –	– –	1856	6	35,000 15,000 50,000	100,000 00
1 Md.	Baltimore	8th February and Aug.	Ad libitum	5	–	30,091 80
1 Do.	Do.	Do. Do	1849	5	–	13,000 00
1 Do.	Do.	Do. Do.	1844	5	–	11,233 00
1 Do.	Do.	1st Jan. and quarterly	1870	6	–	6,149 57
		Amount of stock for Chickasaws				$1,994,141 03

As a matter of account and book-keeping, this might be thought correct, or it might not; but I think it would have been better to keep a separate account for funds thus held in trust, as every private individual does, who is made a trustee for the interests of others. If the facts are as I have gathered from the report submitted to Congress, here are three or four hundred thousand dollars of the trust fund not invested, and which remain yet to be invested for the benefit of these Indian tribes. As to the rates at which these bonds were purchased, I find it stated that one "lot" of Alabama bonds was taken, March 31, 1836, at $4\frac{1}{2}$ *per cent.* premium; others, immediately after, at 4; others, in May, at $3\frac{1}{2}$; and others, in March, 1837, at 1 *per cent.* off. Tennessee bonds were purchased at par. Ohio bonds at $11\frac{7}{10}$ advance. Part of the Maryland bonds at 3 *per cent.* off; part at 1 *per cent.* off, and part at $14\frac{4}{10}$ advance.

So much for the investment under the treaty with the Chickasaws. But we have other treaties presenting a more important case. We have treaties with eight tribes of Indians, by which treaties the United States stipulated to invest the amounts agreed to be paid for the lands ceded by them in State stocks. Take, for example, the stipulation in the treaty with the Sioux of the Mississippi. The article of the treaty is in these words:

"Art. 2. In consideration of the cession contained in the preceding article, the United States agree to the following stipulations on their part: First, to invest the sum of $300,000 in such safe and profitable State stocks as the President may direct, and to pay to the chiefs and braves as aforesaid annually, forever, an income of not less than five *per cent.* thereon."

The stipulations in the other treaties are substantially the same. The whole amount thus agreed to be invested for the eight tribes, by treaties, mostly entered into in the years 1837, 1838, is $2,580,100. This appears from the following statement, which I find in the documents:

Statement exhibiting the amount of interest appropriated by Congress to pay the following tribes, in lieu of investing the sums provided by the treaties in stocks.

NAMES OF TRIBES.	Amount provided by treaties to be invested in safe stocks.	Annual interest appropriated by Congress.	Treaties.
Ottawas and Chippewas -	$200,000	$12,000	Resolution of the Senate.
Osages - - -	69,120	3,456	Resolution of the Senate, January 19, 1838.
Delawares - - -	46,080	2,304	Treaty, 1832.
Sioux of Mississippi - -	300,000	15,000	Treaty, September 29, 1837.
Sacs and Foxes of Mississippi	200,000	10,000	Treaty, October 21, 1837.
Sacs and Foxes of Missouri -	157,400	7,870	Treaty, October 21, 1837.
Winnebagoes - -	1,100,000	55,000	Treaty, November 1, 1837.
Creeks - - -	350,000	17,500	Treaty, November 23, 1838.
Iowas - - -	157,500	7,875	Treaty, 1837.
	$2,580,100	$131,005	

Now, sir, not one dollar of all this has been invested. The very statement which I have quoted shows this. That statement declares that, instead of investing this large sum, according to contract, the United States pays interest upon it, as upon a debt.

We are indebted, therefore, to these Indians in the whole amount we agreed to pay for these lands, which have been transferred to us, surveyed,

put in market, and large portions of which, I suppose, have ere this been disposed of. We promised to invest the proceeds for their benefit—which has not been done. Instead of asking for money wherewith to purchase these stocks, the Treasury has been contented to ask for the amount of interest only, holding the United States debtors to the Indians, whereby a debt, to all intents and purposes, to the whole amount of this trust fund, is created, and is to be added to the amount of debt due by the Government. I do not say it must be paid to day, or to-morrow, but it is an outstanding debt; the Government is under an undischarged treaty obligation to raise the money, and with it to buy stock for the benefit of the Indians.

In addition to all this, there will be found, I have no doubt, a heavy amount of outstanding debts due for public works, expenses growing out of army operations in Florida, indemnities for Indian spoliations in the South and West, and springing from a variety of other sources.

Now, sir, I agree with all that is said in the message as to the great impolicy, in time of peace, of commencing a public debt; but it seems to me rather extraordinary and inappropriate in the President to admonish others against such a measure, with all these facts immediately before him. In principle, there is no difference, as to the creation of a public debt, whether it be by issuing stock, redeemable after a certain period, or by issuing Treasury notes, which are renewable, and constantly renewed; and if there be any difference in point of expediency, none can entertain any great doubt which of the two forms is best. Treasury notes are certainly not the cheaper of the two.

Now, we find the existence of this public debt as early as the existence of the present Administration itself. It began at the called session in September, 1837. From the date of the first Treasury note bill, in October, 1837, there has been no moment in which the Government has not been in debt for borrowed money. The Secretary says it is not expected that the Treasury notes now out can be paid off earlier than in March, 1842. In whatever soft words he chooses to invest the matter, the sum and substance is this: that there must be a new issue of Treasury notes before the Government can be freed from embarrassment.

I must confess that it seems to me that the scope and tendency of the remarks in the message are to produce an erroneous impression. Here is a series of very strong sentiments against a public debt—against *beginning* a public debt—and all said in face of a debt already begun—existing now, and under such circumstances as to create the fear that it will turn out to be a very large one. We know that these various outstanding charges cannot, or at least will not, be brought together and presented in one aggregate sum for some months to come. Is it intended by this document to forestal public opinion, so as, when it shall appear that there is a public debt, to give to it a date posterior to the 4th of March next? I hope not. I do not impute such a design. So far, however, as I am concerned, I shall take special good care to prevent any such result. I shall certainly recommend that there be a new set of books opened; that there be what merchants call "a rest." That what is collected prior to March, 1841, and what is expended prior to March, 1841, stand against each other; so that, if there shall appear a balance in favor of this Administration, it may be stated; and if the result shall be that the Administration is left in debt, let that debt appear, and let it be denominated "the debt of 1841," and which it will be the duty of Congress to provide for.

In one or two other respects the message is calcuated to create quite an erroneous impression. In the 5th page the President speaks on the subject of the Treasury notes in as mitigated a tone as possible, and tells us, first, that "this small amount still outstanding" is "composed of such as are not yet due." I suppose we all knew that; and then he adds that they are "less by twenty-three millions than the United States have on deposite with the States." I ask the Senate, and I would, if I could, ask the President, whether he means to recommend to Congress to withdraw the deposites now in the hands of the States in order to discharge this debt on Treasury notes? Do the Administration look to these deposites as a fund out of which to discharge any of the debts of the Treasury? I find no recommendation of such a measure. Why, then, were these two things connected? There is nothing in the fact that the amount of Treasury notes is less by twenty-three millions than the amount deposited with the States, unless the President means to recommend that the latter sum shall be looked to as a means of discharging the former. Does he mean merely to inform Congress that twenty-three are less than twenty-eight? If not, why are the two thus placed in juxtaposition, and their amounts compared? The Secretary of the Treasury treats the matter in much the same way. He speaks of the deposites with the States as of funds in the Treasury. Look at his report. In stating the resources of the Treasury he mentions the twenty-eight millions on deposite with the States. What can be the purpose of such a statement? When a Secretary of the Treasury presents to the world a statement of the means of his Department, it is universally supposed that his statement is confined to what either exists in the Treasury, or is likely to accrue under the operation of existing laws. But this deposite with the States is no more under the control of the Treasury than any other money in the country. He knows full well that an act of Congress is as necessary to his disposal of any part of that sum, as it is to augment the rate of duties at the custom-house. The Treasury can no more use the deposites with the States, than it can lay a direct tax. What can be the purpose—the fair purpose—of presenting sums as funds in the Treasury when they are not in the Treasury? Or what can be the fair purpose of referring to a fund as a means of payment, when it cannot be touched, unless the President means to recommend to Congress to recall the deposites made with the States? That Congress can do, and so it can augment the rate of duties; but, till it does, those deposites are no more means in the Treasury than if they belonged to another nation. The day, I hope, will come—I have long desired it—when we shall see plain fact plainly stated; when the reports of our fiscal officers will deal less in guesses at the future, and will no longer use forms and phrases, I will not say which are designed to mislead or to mystify, but the result of which is to mislead the nation by mystifying the subject.

I said that though the honorable Secretary pretty clearly intimates that we must resort to a new issue of Treasury notes, yet the result of all is, that if Congress wish to avoid the necessity either of increasing the duties, or of issuing new Treasury notes, he has a resource ready for them, viz: to reduce their appropriations below even his own estimates. This is much like what he told us last year: and yet when we did reduce our appropriations within even his estimates, still the Treasury is in want of money.

One other remark is suggested by what the President says to us on the 6th page of his message. He tells us that it is possible to avoid the "crea-

tion of a permanent debt by the General Government," and then goes on to observe, "But, to accomplish so desirable an object, two things are indispensable: first, that the action of the Federal Government be kept within the bounds prescribed by its founders." Now, I did suppose that this duty of keeping the action of the Federal Government within the bounds of the Constitution was absolute; that it was not affected by times, circumstances, or condition, but was always peremptory and mandatory. What is the inference to be drawn from the President's language? If the Treasury is empty, you must keep within the Constitution; and what if it is full? Are you to break its bounds? To transcend the Constitution? I had always thought we should neither be tempted to this by an overflowing Treasury, nor deterred by an empty one from taking such a course as the exigencies of the country might require, to fulfil our own duties. The duty of keeping within our constitutional limits is an absolute duty, existing at all times, and in all conditions of things. If the Treasury be full to overflowing, we are still to undertake nothing, to expend money for nothing, which is not fairly within our power. And if the Treasury be empty, and the public service demands expenditures, such as it is our province to make, we are to replenish the Treasury.

There is also an important omission in the message, to which I would call the notice of the Senate and of the country. The President says the revenue has fallen off two and a half millions of dollars under two biennial reductions of the rate of duties at the custom-houses under the law of 1833. Be it so. But do we not all know that there is before us, within a year, a much greater "relinquishment," if that is the term to be applied to it, and within a year and a half more another and the last of these reductions? Do we not see, then, from the present existence of a large debt, and from this further reduction of duties, (that is, if nothing shall be done to change the law as it now stands,) that a case is presented which will call for the deliberation and wisdom of Congress, and that some effort will be required to relieve the country?

But here is no recommendation at all on the subject of revenue. No increase is recommended of the duties on articles of luxury, such as wines and silks, nor any other way suggested of providing for the discharge of the existing debt. Now, the result of the whole is, that the experience of the President has shown that the revenue of the country is not equal to its expenditure; that the Government is spending seven millions a year beyond its income; and that we are in the process of running right into the jaws of debt; and yet there is not one practical recommendation as to the reduction of the debt, or its extinguishment; but the message contents itself with general and ardent recommendations not to create a debt!

I know not what will be done to meet the deficiency of the next quarter. I suppose the Secretary's recommendation to issue Treasury notes will be followed. I should, myself, have greatly preferred a tax on wines and silks. It is obvious that if this or something like it is not done, the time approaches, and is not far off, when provision must be made by another Congress.

I have thus stated my views of this portion of the message. I think it leads to what may render an extra session necessary—a result I greatly deprecate on many accounts, especially on account of the great expenditure with which it will unavoidably be attended. I hope, therefore, that those who now have the power in their hands will make such reasonable and adequate provision for the public exigency as may render the occurrence of an extra session unnecessary.

WEDNESDAY, DECEMBER 17.

Mr. WRIGHT having spoken in answer to Mr. WEBSTER's remarks of the day before,
Mr. WEBSTER replied to the following effect:

Mr. WEBSTER said he should detain the Senate but a short time in answer to some of the honorable member's remarks, as he had really not met the argument of Mr. W. yesterday. To begin with the subject of Indian treaties. The honorable member had said that the fund arising from the sale of the Chickasaw lands had all been invested to within some forty or fifty thousand dollars. He (Mr. W.) had founded what he had said in relation to this fund on the returns furnished to the Senate; and, according to that document, the balance uninvested amounted to $360,000; but had added that he had heard that $90,000 had been invested since the date of the returns. Mr. W. had made no complaint of the mode in which this fund had been invested, so far as it had been invested; and, if the whole of it had been invested, so much the better. But in regard to the two and a half millions of the fund belonging to the Winnebagoes and other tribes, and which, according to the treaty, was to be invested for the benefit of those tribes, he asked of the Senate whether Mr. WRIGHT had fairly met the force of the argument he had advanced, (if it had any force to be met?) He had not complained of the treaty, nor had he charged the Administration with any extravagance or want of providence in entering into it—that was not the point; the point was, that this amount constituted a *debt*, for the payment of which it was incumbent on the Government to provide; and that, as such, it ought to be kept before the view of Congress, whereas it had been kept entirely out of sight. That was his point. The honorable member admitted that it was a debt, but contended that it was not to be reckoned as a portion of the public national debt. If, by this, the honorable member meant to say that this amount formed no part of the debt arising from borrowed money, unquestionably he was right; but still it was a national debt; the nation owed this money; and it entered necessarily, as one important item or element, into a statement of the financial condition of the Government. The honorable member had asked, if this were so, why such a statement ought not, in like manner, to include the Indian annuities? They were included, in effect. Did not the annual report from the Department always state the amount of those annuities as part of the expenditures for which Congress was to provide? Are they not always in the estimates? So the member asked why the pensions were not to be included? The same answer might be made. The amount of that expenditure also was annually laid before Congress, and it was provided for as other demands on the Government. He had not complained of this amount of two and a half millions of Indian debt; he himself had never opposed these treaties; all he had contended for was, that, as an amount to be provided for, it was as much a part of the public debt as if it had consisted of borrowed money; it was a demand which Congress was bound to meet. In any general view, therefore, of the liabilities of the Government, was there one element of those liabilities which could with more truth and justice be inserted than this?

He (Mr. W.) had said that he commended the argument of the President in opposition to a national debt; and he should be quite unwilling to have it supposed that any thing he said could be wrested (he did not charge that it had been intentionally so wrested) to favor the idea of a public debt at all. But he must still insist that the language employed by the President on the 8th page of his message did refer to past political contests in this country, and

did hold out the idea that, from the beginning of the Government, in the political contests which had agitated the country, there had been some men or some parties who were in favor of the creation and continuance of a public debt, as part of their policy; and this he (Mr. W.) had denied. The idea in the message was, not that there were certain great *interests* in the country which were always, from the nature of things, in favor of such a debt on account of the advantages derivable from it to themselves, as the honorable member has argued to-day. If the President had stated this, as it had now been stated in the speech of the honorable member, nobody could have taken any exception to it. But that was not what the message did say. The point of objection was, that the message charged this fondness for a national debt upon some one of the parties which had engaged in the past political strifes of the country, and had represented it as a broad and general ground of distinction between parties; that one was the advocate of a national debt, as of itself a good, and the other the opponent of the existence of a debt. This he regarded as an imputation wholly unfounded; and it was on this ground that he had objected to that portion of the Executive communication. No facts in our history warranted the allegation. It was mere assumption.

Mr. W. proceeded to say that he had, when before up, omitted one important item in stating the amount of expenditures under the existing Administration beyond the accruing revenue, which ought to be brought to the public view. If he (Mr. W.) was in error, the honorable member would put him right. In March, 1836, a law had passed postponing the payment of certain revenue bonds in consequence of the great fire at New York, for three, four, and five years. The great mass of these postponed bonds had fallen due, and had been received into the Treasury, since the present Administration had come into power. The total amount was about six millions of dollars. This being so, then the whole amount of expenditure, over and above the accruing revenue, would amount to thirty-four millions, or thereabouts, and would thus give an annual excess of expenditures over receipts of *eight and a half millions* a year; and he insisted, again, that, looking at the matter in a purely financial view—looking at the comparative proportion of liabilities and of means to discharge them, when the President found an excess of the former continuing for four years, at the rate of *eight and a half millions per annum*, and did not particularize any one branch of expenditure in which a considerable practical deduction could be made, (unless so far as it might take place in the pension list by the gradual decease of the pensioners;) and when he proposed no new measure as a means of replenishing the exhausted Treasury, the question for Congress and for the nation to consider was, whether this was a course safe to be pursued in relation to our fiscal concerns? Was it wise, provident, and statesmanlike?

There was another point in which (Mr. W. said) the honorable member from New York had entirely misapprehended him. He (Mr. WRIGHT) had said that Mr. W. appeared to desire to avoid, as a critical and delicate subject, the question of the tariff; or, rather, had complained that this Administration had not taken it up. Now he (Mr. W.) had not said a word about the tariff, further than to state that another great reduction was immediately approaching in the rate of duties, of which the message took no notice whatever; while it did not fail to refer to two reductions which had heretofore taken place. What he (Mr. W.) had said on the subject of imposing new duties for revenue, had reference solely to *silks and wines*. This had been a delicate point with him at no time. He had for a long period been always desirous to lay such

a duty on silks and wines; and it did appear to him the strangest thing imaginable—the strangest phase of the existing system of revenue—that we should import so many millions of dollars' worth of silks and wines entirely free of duty, at the very time when the Government had been compelled, by temporary loans, to keep itself in constant debt for four years past. So far from considering this as a mattter of any delicacy, had the Senate the constitutional power of originating revenue bills, the very first thing he should move, in his place, would be to lay a tax on both these articles of luxury.

Were Mr. W. to draw an inference from the speech of the honorable member, it would be that it rather seemed to be his own opinion, and certainly seemed also to be that of the President, that it would be wiser to withdraw the whole or a part of the money deposited with the States than to lay taxes on silks and wines. In this opinion Mr. W. did not at all concur. If the question were between such a withdrawal and the imposition of such a tax, he should without hesitation say, lay the tax, and leave the money with the States where it is. He was greatly mistaken if such a preference did not meet the public approbation. He was for taxing this enormous amount of twenty or thirty millions of foreign products imported in a single year, and all consumed in the country, and consumed, as articles of luxury, by the rich alone, and for leaving the deposites in possession of the States with whom they had been placed.

Mr. W. said he believed he had now noticed so much of the honorable Senator's speech as required a reply; and he would resume his seat with again repeating that it had been no part of his purpose to ascribe either extravagance, or the opposite virtue, to the Administration in the purchase of Indian lands or other transactions. That was not his object, or his point, on this occasion. He only wished to present a true financial view of the condition of our affairs, and to show that our national debt was much greater and more serious than a hasty reader of the President's message might be led, from its perusal, to conclude; and however warmly it admonished the country against a national debt, yet these admonitions were all uttered at a moment when a national debt had already been begun, and begun in time of peace.

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